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**UNITED STATES DISTRICT COURT**  
**DISTRICT OF NEVADA**

KALSHIEX, LLC,  
Plaintiff,

vs.

KIRK D. HENDRICK, in his official  
capacity as Chairman of the Nevada  
Gaming Control Board; GEORGE ASSAD,  
in his official capacity as a Member of the  
Nevada Gaming Control Board;  
CHANDENI K. SENDALL, in her official  
capacity as a Member of the Nevada  
Gaming Control Board; NEVADA  
GAMING CONTROL BOARD; JENNIFER  
TOGLIATTI, in her official capacity as  
Chair of the Nevada Gaming Commission;  
ROSA SOLIS-RAINEY, in her official  
capacity as a Member of the Nevada  
Gaming Commission; BRIAN KROLICKI,  
in his official capacity as a Member of the  
Nevada Gaming Commission; GEORGE  
MARKANTONIS, in his official capacity as  
a Member of the Nevada Gaming  
Commission; ABBI SILVER, in her official  
capacity as a Member of the Nevada  
Gaming Commission; NEVADA GAMING  
COMMISSION; AARON D. FORD, in his  
official capacity as Attorney General of  
Nevada,

Defendant(s).

Case No. 2:25-cv-00575-APG-BNW

**DEFENDANTS' ANSWER  
TO COMPLAINT FOR PERMANENT  
INJUNCTION AND  
DECLARATORY RELIEF**

**DEFENDANTS' ANSWER TO COMPLAINT FOR PERMANENT  
INJUNCTION AND DECLARATORY RELIEF**

Defendants, KIRK D. HENDRICK, in his official capacity as Chairman of the Nevada Gaming Control Board; GEORGE ASSAD, in his official capacity as a Member of the Nevada Gaming Control Board, CHANDENI K. SENDALL, in her official capacity as a Member of the Nevada Gaming Control Board; NEVADA GAMING CONTROL BOARD; JENNIFER TOGLIATTI, in her official capacity as Chair of the Nevada Gaming Commission, ROSA SOLIS-RAINEY, in her official capacity as a Member of the Nevada Gaming Commission; BRIAN KROLICKI, in his official capacity as a Member of the Nevada Gaming Commission, GEORGE MARKANTONIS, in his official capacity as a Member of the Nevada Gaming Commission; ABBI SILVER, in her official capacity as a Member of the Nevada Gaming Commission; NEVADA GAMING COMMISSION; and AARON D. FORD, in his official capacity as Attorney General of Nevada (collectively “Defendants”), by and through their attorneys of record, answer Plaintiff’s Complaint for Injunction and Declaratory Relief as follows:

**INTRODUCTION**

1. Defendants admit that the Nevada Gaming Control Board (“NGCB”) and the Nevada Gaming Commission (“NGC”) seek to prevent Plaintiff KalshiEX, LLC (“Kalshi”) from offering sports- and political-event wagering contracts in Nevada. Defendants deny the remaining allegations of this paragraph.

2. Defendants admit that, in 1936, Congress passed the Commodity Exchange Act (“CEA”), which enacted a federal regulatory framework for derivatives, and that in 1974, Congress established a federal agency called the CFTC to oversee it. Defendants deny the remaining allegations of this paragraph.

3. The allegations of this paragraph contain legal conclusions, to which no response is required. To the extent a response is required, Defendants deny the allegations of this paragraph.

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1           4.     The allegations of this paragraph contain legal conclusions, to which no  
2 response is required. To the extent a response is required, Defendants deny the allegations  
3 of this paragraph.

4           5.     Defendants deny that the NGCB and NGC are “threatening to intrude on the  
5 comprehensive federal scheme for regulated designated exchanges.” The remaining  
6 allegations of this paragraph contain legal conclusions, to which no response is required.  
7 To the extent a response is required, Defendants lack knowledge sufficient to form a belief  
8 about the truth of the remaining allegations of this paragraph and therefore deny the same.

9           6.     The allegations of this paragraph contain legal conclusions, to which no  
10 response is required. To the extent a response is required, Defendants deny the allegations  
11 of this paragraph.

12          7.     Defendants lack knowledge sufficient to form a belief about the truth of the  
13 allegations of this paragraph and therefore deny the same.

14          8.     Defendants deny the allegations of this paragraph.

15          9.     The allegations of this paragraph contain legal conclusions, to which no  
16 response is required. To the extent a response is required, Defendants admit that Kalshi  
17 filed a motion for temporary restraining order/preliminary injunction concurrently with the  
18 filing of the Complaint but lack knowledge sufficient to form a belief about the truth the  
19 remaining allegations of this paragraph and therefore deny the same.

20                   **JURISDICTION AND VENUE**

21          10.    This paragraph contains legal conclusions, to which no response is required.  
22 To the extent a response is required, Defendants admit the allegations of this paragraph.

23          11.    This paragraph contains legal conclusions, to which no response is required.  
24 To the extent a response is required, Defendants deny the allegations of this paragraph.

25          12.    This paragraph contains legal conclusions, to which no response is required.  
26 To the extent a response is required, Defendants admit the allegations of this paragraph.

27    ///

28    ///

**PARTIES**

13. Defendants lack knowledge sufficient to form a belief about the truth of the allegations of this paragraph and therefore deny the same.

14. Defendants admit the allegations of this paragraph, with the qualification that, on June 23, 2025, Mike Dreitzer assumed the office of Chairman of the Nevada Gaming Control Board.

15. Defendants admit the allegations of this paragraph.

16. Defendants admit the allegations of this paragraph.

17. Defendants deny the allegations of this paragraph.

18. Defendants admit the allegations of this paragraph.

19. Defendants admit the allegations of this paragraph.

20. Defendants admit the allegations of this paragraph.

21. Defendants admit the allegations of this paragraph.

22. Defendants admit the allegations of this paragraph.

23. Defendants deny the allegations of this paragraph.

24. Defendants admit the allegations of this paragraph.

**FACTUAL ALLEGATIONS**

25. Defendants lack knowledge sufficient to form a belief about the truth of the allegations of this paragraph and therefore deny the same.

26. Defendants admit that event contracts are traded on an exchange and that traders exchange positions with other traders in the marketplace. Defendants lack knowledge sufficient to form a belief about the truth of the remaining allegations of this paragraph and therefore deny the same.

27. Defendants lack knowledge sufficient to form a belief about the truth of the allegations of this paragraph and therefore deny the same.

28. Defendants lack knowledge sufficient to form a belief about the truth of the allegations of this paragraph and therefore deny the same.

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1           29. Defendants lack knowledge sufficient to form a belief about the truth of the  
2 allegations of this paragraph and therefore deny the same.

3           30. Defendants lack knowledge sufficient to form a belief about the truth of the  
4 allegations of this paragraph and therefore deny the same.

5           31. Defendants lack knowledge sufficient to form a belief about the truth of the  
6 allegations of this paragraph and therefore deny the same.

7           32. Defendants admit that futures contracts have been regulated by the federal  
8 government and that, in 1936, Congress passed the CEA. The remaining allegations of this  
9 paragraph contain legal conclusions, to which no response is required. To the extent a  
10 response is required, Defendants deny the allegations of this paragraph.

11           33. Defendants admit that, in 1974, Congress established the CFTC as the federal  
12 agency empowered to oversee and regulate exchanges under the CEA. The remaining  
13 allegations of this paragraph contain legal conclusions, to which no response is required.  
14 To the extent a response is required, Defendants deny the allegations of this paragraph.

15           34. The allegations of this paragraph contain legal conclusions, to which no  
16 response is required. To the extent a response is required, Defendants deny the allegations  
17 of this paragraph.

18           35. The allegations of this paragraph contain legal conclusions, to which no  
19 response is required. To the extent a response is required, Defendants deny the allegations  
20 of this paragraph.

21           36. The allegations of this paragraph contain legal conclusions, to which no  
22 response is required. To the extent a response is required, Defendants deny the allegations  
23 of this paragraph.

24           37. The allegations of this paragraph contain legal conclusions, to which no  
25 response is required. To the extent a response is required, Defendants deny the allegations  
26 of this paragraph.

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38. The allegations of this paragraph contain legal conclusions, to which no response is required. To the extent a response is required, Defendants deny the allegations of this paragraph.

39. The allegations of this paragraph contain legal conclusions, to which no response is required. To the extent a response is required, Defendants lack knowledge sufficient to form a belief about the truth of the remaining allegations of this paragraph and therefore deny the same.

40. The allegations of this paragraph contain legal conclusions, to which no response is required. To the extent a response is required, Defendants lack knowledge sufficient to form a belief about the truth of the remaining allegations of this paragraph and therefore deny the same.

41. Defendants admit that, in 2010, Congress amended the CEA. The remaining allegations of this paragraph contain legal conclusions, to which no response is required. To the extent a response is required, Defendants deny the allegations of this paragraph.

42. Defendants lack knowledge sufficient to form a belief about the truth of the allegations of this paragraph and therefore deny the same.

43. Defendants lack knowledge sufficient to form a belief about the truth of the allegations of this paragraph and therefore deny the same.

44. Defendants lack knowledge sufficient to form a belief about the truth of the allegations of this paragraph and therefore deny the same.

45. Defendants admit the allegations of this paragraph.

46. Defendants lack knowledge sufficient to form a belief about the truth of the allegations of this paragraph and therefore deny the same.

47. Defendants lack knowledge sufficient to form a belief about the truth of the allegations of this paragraph and therefore deny the same.

48. Defendants lack knowledge sufficient to form a belief about the truth of the allegations of this paragraph and therefore deny the same.

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49. Defendants lack knowledge sufficient to form a belief about the truth of the allegations of this paragraph and therefore deny the same.

50. Defendants lack knowledge sufficient to form a belief about the truth of the allegations of this paragraph and therefore deny the same.

51. This paragraph contains legal conclusions, to which no response is required. To the extent a response is required, Defendants lack knowledge sufficient to form a belief about the truth of the allegations of this paragraph and therefore deny the same.

52. This paragraph contains legal conclusions, to which no response is required. To the extent a response is required, Defendants lack knowledge sufficient to form a belief about the truth of the allegations of this paragraph and therefore deny the same.

53. Defendants lack knowledge sufficient to form a belief about the truth of the allegations of this paragraph and therefore deny the same.

54. Defendants lack knowledge sufficient to form a belief about the truth of the allegations of this paragraph and therefore deny the same.

55. This paragraph purports to quote from a document, which speaks for itself. Defendants deny any allegation that is inconsistent with the document. Defendants admit the remaining allegations of this paragraph.

56. This paragraph purports to quote from a document, which speaks for itself. Defendants deny any allegation that is inconsistent with the document. Defendants admit the remaining allegations of this paragraph.

57. This paragraph purports to quote from a document, which speaks for itself. Defendants deny any allegation that is inconsistent with the document. Defendants admit the remaining allegations of this paragraph.

58. Defendants deny the allegations of this paragraph.

59. Defendants admit that, on or about March 13, 2025, the Nevada authorities extended the deadline to respond to the cease-and-desist letter by two weeks, to March 28, 2025.

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60. Defendants admit that, on March 28, 2025, Kalshi failed to convince the Nevada authorities that Kalshi's event contracts in Nevada were lawful. Defendants admit that Kalshi filed its complaint the same day. Defendants deny the remaining allegations of this paragraph.

**REQUESTS FOR RELIEF**

61. Defendants deny the allegations of this paragraph.

62. Defendants admit that an actual and substantial legal controversy exists between Plaintiff and Defendants. The remaining allegations of this paragraph contain legal conclusions, to which no response is required. To the extent a response is required, Defendants deny the remaining allegations of this paragraph.

63. Defendants admit that, through its Complaint, Plaintiff seeks declaratory and injunctive relief restraining Defendants from enforcing Nevada law. The remaining allegations of this paragraph contain legal conclusions, to which no response is required. To the extent a response is required, Defendants deny the remaining allegations of this paragraph.

**COUNT I**  
**(Supremacy Clause—Preemption by Commodities Exchange Act)**

64. Defendants incorporate all prior paragraphs by reference.

65. This paragraph purports to quote from a document, which speaks for itself. Defendants deny any allegation that is inconsistent with the document. Defendants admit the remaining allegations of this paragraph.

66. The allegations of this paragraph contain legal conclusions, to which no response is required. To the extent a response is required, Defendants deny the allegations of this paragraph.

67. The allegations of this paragraph contain legal conclusions, to which no response is required. To the extent a response is required, Defendants deny the allegations of this paragraph.

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68. The allegations of this paragraph contain legal conclusions, to which no response is required. To the extent a response is required, Defendants deny the allegations of this paragraph.

69. The allegations of this paragraph contain legal conclusions, to which no response is required. To the extent a response is required, Defendants deny the allegations of this paragraph.

70. The allegations of this paragraph contain legal conclusions, to which no response is required. To the extent a response is required, Defendants deny the allegations of this paragraph.

### **AFFIRMATIVE DEFENSES**

1. The Complaint fails to properly name the State of Nevada pursuant to NRS 41.031(2) and therefore is void ab initio for failure to invoke the subject matter jurisdiction of this Court.

2. Plaintiff failed to effectuate proper service on Defendants pursuant to NRS 41.031(2).

3. The Complaint fails to state a claim upon which relief can be granted.

4. Plaintiff's claim is barred, in whole or in part, by Eleventh Amendment immunity.

5. Plaintiff's claim is barred, in whole or in part, by official act immunity.

6. Plaintiff's claim is barred, in whole or in part, by discretionary act immunity.

7. Plaintiff's claim is barred by the Tenth Amendment.

8. Plaintiff's claim is barred by the doctrine of judicial estoppel.

9. Plaintiff's claim is barred by the doctrine of collateral estoppel.

10. Plaintiff's claim is barred by the doctrine of unclean hands.

11. Plaintiff cannot show that it will suffer irreparable harm.

12. Plaintiff has failed to mitigate any alleged harm.

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